COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE SALE AND DETARIFFING OF
EMBEDDED CUSTOMER PREMISES
EQUIPMENT

ADMINISTRATIVE
CASE NO. 269

ORDER

On January 9, 1986, the Commission entered an Order in this matter extending the detariffing date for embedded customer premises equipment ("CPE") of General Telephone Company of the South ("GTS") to December 31, 1988. By letter dated February 4, 1986, the Commission received notification from the Federal Communications Commission ("FCC") that additional information was required to approve the limited waiver made on behalf of GTS. On February 21, 1986, a letter was received by the Commission from GTS concerning the FCC requirements. In its letter GTS states:

The added certification appears to require that any LEC for which a waiver and extension is obtained must transfer title to the customer at the extended detariffing date....

In the hearings on this matter, General expressed its concern that it still would not be able to fully recover its capital down to the current economic value of its CPE, even if an extension to 1990 were obtained. Although the 1988 extension adopted by the commission would permit some of the capital recovery required, this new requirement of the FCC only exacerbates the company's capital recovery dilemma....

It is suggested that the Commission notify the FCC that the request for an extension for General Telephone is being withdrawn, and that the portions of the Commission's certification relating to such are rescinded.

¹ Formerly General Telephone Company of Kentucky.

The Commission therefore rescinds its Order of January 9, 1986, in this matter, thereby eliminating the extension of the detariffing date of GTS to December 31, 1988.

SUMMARY

The Commission, having considered the matter and being advised, is of the opinion and finds that:

- 1. Its Order of January 9, 1986, in this matter should be rescinded.
- 2. GTS should comply with the findings and orders as set forth in the Order of the Commission dated September 10, 1985, in this matter.

IT IS THEREFORE ORDERED that:

- 1. The Order of January 9, 1986, in this matter is rescinded.
- 2. GTS shall comply with the findings and orders as set forth in the Order of the Commission dated September 10, 1985.

Done at Frankfort, Kentucky, this 25th day of March, 1986.

PUBLIC SERVICE COMMISSION

Chairman

Vice Chairman

Commissioner

ATTEST:

Secretary